

Pamela J. Scott
Assistant General Counsel

302.429.3143 – Telephone
302.429.3801 – Facsimile

U.S. Mail
92DC42
PO Box 6066
Newark, DE 19714-6066

pjscott@pepcoholdings.com

All other deliveries:
92DC42
500 N. Wakefield Drive
Newark, DE 19702

December 6, 2016

VIA DELAFILE

Donna Nickerson
Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Re: Amended Application of Delmarva Power & Light Company to
Revise the Utility Facility Relocation Charge
("UFRC") Rate to Recover Costs Associated with
the Relocation of Gas Utility Facilities – Docket No. 16-1084

Dear Ms. Nickerson:

Enclosed please find the Amended Application of Delmarva Power & Light Company ("Delmarva" or "Company") to revise the Utility Facility Relocation Charge ("UFRC") rate for recovery of capital improvement costs associated with gas facility relocations due to projects undertaken by the Delaware Department of Transportation or other governmental agencies pursuant to the provisions of 26 *Del. C.* §315 and corresponding regulations found at 26 *Del. Admin. C.* 1009. The Application was amended to correct the calculation of the UFRC rate.

Thank you for your attention to this matter. Should you have any questions or require any additional information, please do not hesitate to contact me at 302-429-3143 or Marlene Santacecilia at 302 451-5301.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Pamela J. Scott", is written over the typed name.

Pamela J. Scott

Enclosures

cc: David Bonar (w/enclosures)

Regina Iorii, Esquire (w/enclosures)

Heather Hall (w/enclosures)

Marlene Santacecilia (w/enclosures)

Connie McDowell (w/enclosures)

Robert Willard, Esquire (w/enclosures)

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)	
DELMARVA POWER & LIGHT COMPANY)	
TO REVISE THE RATE FOR THE UTILITY)	
FACILITY RELOCATION CHARGE TO)	
RECOVER COSTS INCURRED IN)	PSC DOCKET NO.
CONNECTION WITH THE RELOCATION OF)	16 - 1084
GAS UTILITY FACILITIES)	
(FILED NOVEMBER 29, 2016))	

**AMENDED APPLICATION OF DELMARVA POWER & LIGHT COMPANY
TO REVISE THE RATE FOR THE UTILITY FACILITY
RELOCATION CHARGE TO RECOVER COSTS
INCURRED IN CONNECTION WITH THE
RELOCATION OF GAS UTILITY FACILITIES**

Delmarva Power & Light Company
Pamela J. Scott
P.O. Box 6066
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(302) 429-3143
(302) 429-3801 (fax)
pjscott@pepcoholdings.com

Date: December 6, 2016

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DELMARVA POWER & LIGHT COMPANY)	
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GAS UTILITY FACILITIES)	
(FILED NOVEMBER 29, 2016))	

**AMENDED APPLICATION OF DELMARVA POWER & LIGHT COMPANY
TO REVISE THE RATE FOR THE UTILITY FACILITY
RELOCATION CHARGE TO RECOVER COSTS
INCURRED IN CONNECTION WITH THE
RELOCATION OF GAS UTILITY FACILITIES**

Delmarva Power & Light Company (“Delmarva” or the “Company”), by and through its undersigned counsel, hereby files this amended application (“Amended Application”) with the Public Service Commission of the State of Delaware (the “Commission”) to revise the rate for the Utility Facility Relocation Charge (“UFRC”) to recover costs the Company has incurred to relocate gas utility facilities as a result of projects undertaken by the State Department of Transportation or other governmental agencies. This Amended Application is being submitted pursuant to the provisions of 26 *Del. C.* §315 and corresponding regulations found at 26 *Del. Admin. C.* 1009.

In support of this Amended Application, and pursuant to the provisions of 26 *Del. Admin. C.* 1009 §3.0, Delmarva provides the following:

1. Revised Schedule 1 showing the development of the UFRC Rate and supporting documentation (Exhibit A);

2. Schedule 1A showing the capital structure approved in Delmarva's most recent Base Rate Case (Docket No. 12-546) (Exhibit B);
3. Schedule 1B showing the over/under collections from previous UFRC Filings – in this case they are zeroed out (Exhibit C);
4. Schedule 2 identifying, by Company project number, the relocated unreimbursed utility plant or facilities and plant retired (Exhibit D);
5. Schedule 2A showing the net accumulated depreciation identified by FERC USOA account number (Exhibit E); and
6. Revised Schedule 3 containing a clean and red-lined version of the revised tariff pages (Exhibit F).

WHEREFORE, Delmarva requests that, the UFRC rate as proposed in this Amended Application become effective January 1, 2017.

Respectfully submitted,

DELMARVA POWER

By: 

Pamela J. Scott
PO Box 6066
Newark, DE 19714-6066
(302) 429-3143
pjscott@pepcoholdings.com

Dated: December 6, 2016

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)	
DELMARVA POWER & LIGHT COMPANY)	
TO REVISE THE RATE FOR THE UTILITY)	
FACILITY RELOCATION CHARGE TO)	
RECOVER COSTS INCURRED IN)	PSC DOCKET NO.
CONNECTION WITH THE RELOCATION OF)	16 - 1084
GAS UTILITY FACILITIES)	
(FILED NOVEMBER 29, 2016))	

CERTIFICATE OF SERVICE

I, Pamela J. Scott, do hereby certify that DELMARVA POWER & LIGHT
COMPANY'S AMENDED APPLICATION TO REVISE THE RATE FOR THE UTILITY
FACILITY RELOCATION CHARGE TO RECOVER COSTS INCURRED IN CONNECTION
WITH THE RELOCATION OF GAS UTILITY FACILITIES was caused to be served via
Delafire and electronic mail this 6th day of December, 2016, upon the following:

The Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904
Attn.: Donna Nickerson
Donna.nickerson@state.de.us

Division of the Public Advocate
29 South State Street
Dover, DE 19901
Attn.: David Bonar
David.bonar@state.de.us

Regina A. Iorii, Esquire
Department of Justice
Carvel State Office Building
820 N. French Street
Wilmington, De 19801
Regina.iorii@state.de.us

Robert Willard, Esquire
Department of Justice
102 West Water Street
Dover, DE 19904-6750
Robert.Willard@state.de.us

Connie McDowell
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904
Connie.McDowell@state.de.us



Pamela J. Scott

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)	
DELMARVA POWER & LIGHT COMPANY)	
TO REVISE THE RATE FOR THE UTILITY)	
FACILITY RELOCATION CHARGE TO)	
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CONNECTION WITH THE RELOCATION OF)	16 - 1084
GAS UTILITY FACILITIES)	
(FILED NOVEMBER 29, 2016))	

ORDER NO. _____

AND NOW, to-wit, this _____ day of _____, A.D., 20__, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on November 29, 2016, Delmarva Power & Light Company ("Delmarva" or "Company") filed with the Commission the above-captioned Application ("Application") seeking approval to revise the rate for the Utility Facility Relocation Charge ("UFRC") to recover costs incurred in connection with the relocation of gas utility facilities due to projects undertaken by the State Department of Transportation or other governmental agencies; and

WHEREAS, on December 6, 2016, Delmarva filed with the Commission an Amended Application to correct the calculation of the UFRC rate for which it seeks approval; and

WHEREAS, Commission Staff and the Division of the Public Advocate have reviewed the Amended Application and documentation supporting same and have determined that the Amended Application complies with the provisions of 26 *Del. C.* §315 and 26 *Del. Admin. C.* 1009 and recommends that the Amended Application be approved; and

WHEREAS, the Commission, having determined that the Amended Application complies with 26 *Del. C.* §315 and 26 *Del. Admin. C.* 1009 and that the proposed UFRC rate should be permitted to become effective as of January 1, 2017;

NOW THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That the Amended Application requesting the revision of the UFRC rate to recover costs incurred by the Company to relocate gas utility facilities pursuant to 26 *Del. C.* §315 be approved.
2. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

CHAIR

COMMISSIONER

COMMISSIONER

COMMISSIONER


COMMISSIONER

ATTEST:

SECRETARY

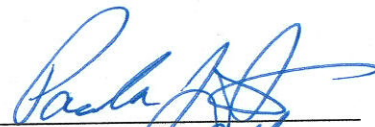
STATE OF DELAWARE)
) SS.
COUNTY OF NEW CASTLE)

On this 22nd day of November, 2016 personally came before me, the subscriber, a Notary Public in and for the State and County aforesaid Gary R Stockbridge, Vice President of Delmarva Power & Light Company, a corporation existing under the laws of the State of Delaware, party to this Application, known to me personally to be such, and acknowledged this Application to be his act and deed and the act and deed of said corporation, that the signature of such Vice President is in his own proper handwriting, and that the facts set forth in this Application are true and correct to the best of his knowledge and belief.



Gary R Stockbridge
Vice President

SWORN TO AND SUBSCRIBED before me this 22nd day of November, 2016



Notary Public Attorney at Law (DE)
My Commission expires: N/A

EXHIBIT A

REVISED

Delmarva Power & Light Company: Delaware Natural Gas
 Utility Facility Relocation Charge (UFRC) Filing
 Rate Effective period 1/1/2017 - 6/30/2017

Form 1

Schedule 1: Development of Rate and Supporting Data

Docket No. 16-0671

Nov 2016 Filing

Recovery Period 7/1/2016 - 12/30/2016

1/1/2017 - 6/30/2017

Data Period 1/1/2016 - 4/30/2016

5/1/2016 - 10/30/2016

	Item	Current UFRC	Update	Proposed UFRC
1	Net Utility Plant Additions (Schedule 1A and Schedule 2)	\$ 12,872	\$ 1,685,022	\$ 1,697,894
2	Net Accumulated Depreciation Reserve Charge (Schedule 2A)	\$ (258)	\$ 3,387	\$ 3,129
3	Net Change in Rate Base (Line 1 +Line 2)	\$ 12,614	\$ 1,688,409	\$ 1,701,023
4	Pre-tax Rate of Return (Schedule 1A)	12.320%	12.320%	12.320%
5	Semi-Annual Pre-Tax rate of Return (Line 4/2)	6.160%	6.160%	6.160%
6	Semi-Annual Investment Cost Recovery (Line 3*Line 5)	\$ 777	\$ 104,006	\$ 104,783
7	Semi-Annual Depreciation Expense (Schedule 2A)	\$ 258	\$ 7,275	\$ 7,533
8	Semi-Annual UFRC Revenue Requirement (Line 6 +Line 7)	\$ 1,035	\$ 111,281	\$ 112,316
8a	Total Over-/Undercollection from Previous UFRC (Schedule 1B)	\$ -	\$ (73,739)	\$ (73,739)
9	Total Semi-Annual UFRC Revenue Requirement (Line 8 + Line 8A)	\$ 1,035	\$ 37,542	\$ 38,577
10	Semi-Annual Projected Distribution Revenues (applicable recovery period)	\$ 30,514,537	\$ 84,066,808	\$ 84,066,808
11	Projected UFRC Rate Increase (Line 9/Line 10)	0.00%	0.04%	0.05%

EXHIBIT B

Form 2

Schedule 1A: Capital Structure Approved in Most Recent Base Rate Case

Capital Structure in PSC Docket No. 12-546					
	Ratios	Cost Rate	Wtd Cost	Revenue Multiplier	Pre-Tax Cost
Cost of Debt	50.78%	4.91%	2.49%	1.69013	4.21%
Cost of Equity	49.22%	9.75%	4.80%	1.69013	8.11%
	100%		7.29%	1.69013	12.32%

EXHIBIT C

Form 3
Schedule 1B: Over/Under Collections From Previous UFRC Filings

Docket No.	Over/(Under)Collection	
Docket No. 15-1011		\$ (73,738.95)
Docket No. 15-1011	Remove 2015 Revenues	\$ 73,738.95
Total		\$ -

EXHIBIT D

Delmarva Power & Light Company: Natural Gas Utility Facility Relocation Charge (UFRC) Filing

1/1/2016 - 4/30/2016

Form 4

Schedule 2: Projects Placed into Service and/or Retired

Rate Effective:

7/1/2016

Utility Plant in Service 01/01/2016- 04/30/2016				
Project name	Description	Project No.	UFRC Net Amount (net of CIAC)	Retirement Cost
DMRI: W 3RD & 4th St. (Greenhill to Ogle Ave)	Install Relocated New Main	5950064	23,969.52	
DMRI: Intersection of Channing Rd & Irving Drive	Install Relocated New Main	5952498	19,063.79	
DMRI: Brandywine Hills Phase II	Install Relocated New Main	5950700	16,634.69	
DMRI: W. 19th St. (Baynard Blvd to Market St.)	Install Relocated New Main	5950221	(46,795.95)	
Total			\$ 12,872.05	\$ -
Net Total			\$ 12,872.05	

Utility Plant In Service 5/1/2016 -10/31/2016				
Project name	Description	Project No.	UFRC Net Amount (net of CIAC)	Retirement Cost
DMRI-INSTALL 2" PHP MAIN ON PEARL ST	Install Relocated New Main	5947313	16,014.46	
DMRI: N VAN BUREN ST, N HARRISON ST	Install Relocated New Main	5948462	477,552.08	
DMRI: W. 19TH ST. (BAYNARD BLVD. TO Market ST)	Install Relocated New Main	5950221	78,483.10	
DMRI-INSTALL 2" PHP MAIN ON 1200 WEST ST	Replace Relocated Main	5952907	214,286.78	2,214.13
DMRI Install 2" PHP on 300 Block	Install Relocated New Main	5949167	3,609.54	
DMRI - 2500 BLK. OF THATCHER ST.	Install Relocated New Main	5952969	43,407.92	
DMRI - ANCHORAGE ST & CEDAR ST	Install Relocated New Main	5953062	305,871.01	
DMRI-1819 W. 16TH ST.	Replace Relocated Main	5953279	13,037.41	25.06
GDMRI-1800 BLOCK OF W.16TH ST.	Install Relocated New Main	5953292	59,312.15	
1900 - 2100 BLKS OF WASHINGTON ST (W19th ST to W22ND ST)	Replace Relocated Main	5953326	223,931.29	1,174.34
GDMRI-UNIT AND 100 BLOCK OF W. 18TH	Install Relocated New Main	5953361	96,078.08	
DMRI-600 BLOCK SPRUCE	Replace Relocated Main	5953392	46,427.64	1,011.65
DMRI-HAWLEY	Install Relocated New Main	5953473	117,672.82	
DMRI 9TH and Harrison	Retire Main	5952209		326.72
DMRI 9TH and VanBuren	Retire Main	5952273		3,345.52
DMRR E 28TH & Pine Street	Retire Main	5953474		\$ 1,271.04
DMRR West ST W 40th St	Retire Main	5953516		\$ 1,294.24
Total			\$ 1,695,684.28	\$ 10,562.70
Net Total			\$ 1,685,021.58	

EXHIBIT E

Form 5

Schedule 2A: Net Accumulated Depreciation

Net Additions to Plant and Depreciation Expense 01/01/2016- 04/30/2016				
Account Name	FERC/NARUC Account No.	Amount	Annual Depreciation Rate	Depreciation Amount
Mains-Plastic Pipe	3763	\$ 12,872.05	1.86%	\$ 258.01
TOTAL		\$ 12,872.05		\$ 258.01
Semi-Annual Depreciation Expense				\$ 258.01

Accumulated Depreciation Reserve Change			
Depreciation Expense (Schedule 2A)		\$	(258.01)
Retirements (Schedule 2)		\$	-
Total		\$	(258.01)

Form 5

Schedule 2A: Net Accumulated Depreciation

Net Additions to Plant and Depreciation Expense 5/1/2016 -10/31/2016				
Account Name	FERC/NARUC Account No.	Amount	Annual Depreciation Rate	Depreciation Amount
Mains-Cast Iron Pipe	3761	\$ (8,235.57)	1.92%	\$ (34.76)
Mains-Plastic Pipe	3763	\$ 1,693,257.15	1.86%	\$ 7,310.08
TOTAL		\$ 1,685,021.58		\$ 7,275.32
Semi-Annual Depreciation Expense				\$ 7,275.32

Accumulated Depreciation Reserve Change		
Semi-Annual Depreciation Expense (Schedule 2A)		\$ (7,275.32)
Retirements (Schedule 2)		\$ 10,662.70
Total		\$ 3,387.38

EXHIBIT F

RIDER "UFRC"

UTILITY FACILITY RELOCATION CHARGE RIDER – continued

E. Filing (Continued)

1. The UFRC rate shall also be reset to zero if, in any quarter, data filed with the Commission by the Company show that the gas utility will earn a rate of return that exceeds the rate of return established in its last general rate filing or by Commission order as described in paragraph 2.a of this Rider, if such was determined subsequent to the final order in the company's last general rate filing. Further, the UFRC rate shall be reinstated when such data show that the established rate of return is not exceeded and will not be exceeded if the UFRC rate is reinstated and reset.

The UFRC is set forth as follows: 0.05%

RIDER "UFRC"

UTILITY FACILITY RELOCATION CHARGE RIDER – continued

E. Filing (Continued)

1. The UFRC rate shall also be reset to zero if, in any quarter, data filed with the Commission by the Company show that the gas utility will earn a rate of return that exceeds the rate of return established in its last general rate filing or by Commission order as described in paragraph 2.a of this Rider, if such was determined subsequent to the final order in the company's last general rate filing. Further, the UFRC rate shall be reinstated when such data show that the established rate of return is not exceeded and will not be exceeded if the UFRC rate is reinstated and reset.

The UFRC is set forth as follows: ~~0.25~~0.5%

Docket No. ~~16-0672~~
Order No. ~~8912~~

Filed: ~~July 14~~December 6, 2016
Effective with Meter Reading On and After ~~July 16, 2016~~January 1, 2017

~~Filed in Compliance with Order No. 8912 in Docket No. 16-0672~~
Proposed
As Revised

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